

ROKOSCH

GRANDSTAFF

THOMPSON

CHILCOTT

DRISCOLL

Members Present.....Commissioner Jim Rokosch,  
Commissioner Carlotta Grandstaff, Commissioner Alan Thompson and Commissioner  
Kathleen Driscoll

Date.....August 14, 2007

Minutes: Glenda Wiles

The Board met for various administrative matters as follows.

Montana Roof Man Owner Steve Marshall met with the Board to discuss the roofing project at the Courthouse. Also present were Administrative Director Skip Rosenthal and Maintenance Employee Bob Spralinger. Skip indicated he has visited with the Johnson Controls Engineers in regard to the insulation of the roof due to their efficiency rating on the Courthouse. They have suggested the Board install the insulation on the roof prior to Montana Roof Man installing the roof. Steve calculated the additional insulation which would increase the 'R' Factor from R-11 to R-30. This extra amount would increase his contract by \$42,470.00. Skip will forward this calculation to the Engineers of Johnson Controls for their review before the Board makes a decision.

Skip also noted the 8,107 square feet of roof above the Judge's Chamber and Juvenile Detention is not part of the Montana Roof Man contract. He stated this might be the right time to have a Structural Engineer check this roof, making sure the membrane style roof can be installed at the same time. Discussion included the addendum to the original Request for Proposals that excluded the 8,107 square feet, and how the Commissioners would accept bids on this section of the roof. Glenda stated change orders would be appropriate for the original contract, but a new Request for Proposal will be needed for the other section of roof (8,107 square feet). Skip will bring more information back to the Board once he visits with the Structural Engineer.

In other administrative matters the Board reviewed adding the request to patrol the work area for two hours under the No Burn Resolution. This addition would follow the Stage 2 Restrictions for 'hoot owl'. **Commissioner Thompson made a motion to adopt Resolution No. 2179 which amends Resolution No. 2174 by adding these two hours of patrol at the work site. Commissioner Driscoll seconded the motion and all voted "aye".**

The Board reviewed the annual Memorandum of Understanding with the Montana Woolgrowers Association for the protection of sheep. **Commissioner Grandstaff made a motion to approve of this MOU. Commissioner Driscoll seconded the motion and all voted "aye".**

The Board discussed the cottonwood trees on Fairground Road and Big Corral Road that recently created a hazard with a vehicle that was struck by one of the dead trees. The county's insurance has paid this claim due to the tree being dead. Glenda indicated the Board needs to consider this hazard due to the number and condition of the trees on these roads. The Board discussed the need to have the trees diagnosed and then through a public relations campaign move forward to remove the trees and replant. Commissioner Grandstaff indicated she will visit with Extension Agent Rob Johnson in regard to this issue.

Glenda brought forth various office issues such as the Commissioners upcoming trip to the MACo convention in Great Falls; a centralized location (the Commissioners Office) for the Request for Proposals; request by various citizens on speed limit signs and speed limits on various roads; a letter addressing the parking issues at the airport based upon the settlement agreement by the county in conjunction with the F.A.A.; Hughes Creek Road and the history of its being a public access road to be calendared at a later date when the fires are under control and proposed speed limits on certain segments of Highway 93.

Minutes: Beth Farwell

In other business, the Board met with Attorney Mae Nan Ellingson regarding Open Land Bonding. Present were Planning Director Karen Hughes, Planner Vanessa Perry, Internal Auditor Klarryse Murphy, Angela Wetzston and Deputy County Attorney Karen Mahar.

Mae Nan stated when issuing bonds for \$10 million, they should be issued in two and three series. When the bonds are ready for issue, the entity that issues them will present a form of certificate. 85% of bond proceeds should be spent within three years. If you issue fewer than 5 million dollars worth in a year, you are a small issuer for the purposes of the IRS. The federal government has rules about the actual issuing. A general rule is "Thou shall not make money at the expense of the Federal Government". If you are a small issuer you do not have to track all investments and report to Federal Government. If you are a small issuer you are not only free from keeping track of all investments but if there is a profit, you don't have to rebate it to the Federal Government.

Mae Nan stated another alternative is doing a bond anticipation note with the Board of Investments; you can take that down in a much smaller piece. They would buy a bond anticipation note with a maturity date. There is no limit of the bond anticipation notes for issuing. The Open Lands Bonds are at 4.75% interest rate right now, and the county should only borrow as much as they need, thereby accruing interest at that level of borrowing. There will be no potential for 'arbitrary projects'.

Mae Nan also noted the Inter-cap program can provide some commodities. Klarryse asked if the county took out a ½ million bond, would they be able to levy for the interest expense in that amount. Mae Nan replied yes; levy for interest and try to levy for the principle.

Mae Nan suggested trying some bond anticipation notes over a period of 1 to 1 ½ years to see how much will be spent in regard to the interest and the level of expenditure. After that, the county could move forward with three year bonds.

Commissioner Rokosch asked if the small issuer would have access to the school bonds. Mae Nan replied no, they would be county bonds only. Klarryse stated there is a debt limit capacity. Mae Nan stated the legislature just raised the debt limit to 2.5%.

Angela asked who is doing the legal review of the actual documents. Mae Nan replied the county should obtain a real estate lawyer. The bonds can not be utilized to pay for staff time, only for transactional costs. She advised the county to obtain an experienced conservation easement specialist.

Karen asked what other duties could be expected. Mae Nan replied it is more financial accounting then anything else.

Mae Nan said the next step would be getting all the election documents from the Clerk & Recorder, and when the county is ready to issue the bonds, they should be competitively sold.

The next step would be to issue an official open bid for the bonds and then award the bonds to the lowest bidder and prepare the final bid document. When issuing bond anticipation notes, there are certain dollar limits you are not required to take to the full Board.

Commissioner Rokosch asked what the time frame would be. Mae Nan replied within a month. Mae Nan stated she would feel better knowing a signed contract is in place before issuing of the bonds, stating the bond funds are being spent for the intended project. Discussion followed.

Mae Nan stated these bonds will be 20 year bonds and they are callable after 10 years. Mae Nan gave some examples and case scenarios to the Board.

**Mae Nan stated she will follow up with a summary letter of what was mentioned here today. She also suggested applying for an Inter-cap loan first. The Board concurred.**

Karen stated she will forward the documents (criteria and procedures) to Mae Nan for her comments and questions. Mae Nan stated those documents will need to be adopted by Resolution when finalized. The meeting was adjourned.